

RESTRICTED

9 January 1950

MEMORANDUM FOR THE RECORD:

**Subject: Proposed Executive Order Delegating Allowance
Authority to the Director, CIA.**

1. At 11:00 a.m. on this date, Mr. Walter Pforzheimer, Legislative Liaison Officer, and myself met with Messrs. Schaub, Barber and Titus of the Bureau of the Budget relative to questions raised as to the propriety and legality of the proposed Executive Order granting to the Director of CIA the authority to prescribe regulations provided for in connection with the granting of allowances in Section 5 (b) of Public Law 110. The proposed Executive Order was transmitted to the Bureau of the Budget under cover of the Director's letter of 29 December 1949.

2. Bureau of the Budget representatives indicated doubt as to whether or not the provisions of Public Law 110 and/or any other Act would permit the President to delegate to the Director the authority to prescribe allowance regulations. It appeared to be the thinking of the Bureau of the Budget representatives that such authority should be delegated to the Secretary of State in accordance with the Foreign Service Act of 1946 although it was pointed out by the CIA representatives that if the President could delegate Public Law 110 allowance authorities to the Secretary of State, it would appear that he could likewise delegate them to the Director, CIA. The security and related considerations necessitating the delegation of authority directly to the Director, CIA, was reviewed with the Budget Bureau representatives and while they were cognizant of the situation described, they were still of the opinion that the Justice Department would raise objections to a direct delegation to the head of this Agency.

3. It was decided to informally discuss the matter with the Justice Department representatives prior to taking further action insofar as the Bureau of the Budget and State Department clearances were concerned. Mr. Titus was to arrange a meeting with Justice Department representatives to be held at the Bureau of the Budget sometime during the current week.

STATINTL

cc: Mr. Pforzheimer ✓
Acting Chief, Fiscal Div.

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